

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6060

BILL NUMBER: SB 13

NOTE PREPARED: Nov 15, 2011

BILL AMENDED:

SUBJECT: Cash Assistance Point of Service and Drug Reports.

FIRST AUTHOR: Sen. Miller

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits the distribution of cash assistance benefits at a point-of-sale terminal that is located on the premises of an adult entertainment establishment.

The bill requires the Drug Utilization Review (DUR) Board to prepare and submit a preferred drug list report to the Select Joint Commission on Medicaid Oversight (SJMCO) one time per year. (Current law requires the report twice a year.)

(The introduced version of this bill was prepared by the Select Joint Commission on Medicaid Oversight.)

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary:* This bill would result in annual state General Fund savings of \$28,000.

Additional Information-

Preferred Drug List Reports: This bill reduces the required frequency of a report concerning the Medicaid preferred drug list from two times each year to annually. FSSA has reported that each report costs approximately \$56,000. Eliminating one report each year would result in total annual savings of \$56,000; \$28,000 in federal funds and \$28,000 in state General Funds.

Adult Entertainment Establishments: The bill defines an adult entertainment establishment and adds adult

entertainment establishments to the list of venues where use of a point-of-sale (POS) terminal or an automated teller machine (ATM) to withdraw Title IV-A cash assistance benefits is prohibited. The specified venues are required to post a sign at the ATM or POS terminal informing potential users that the machines may not be used to access TANF cash assistance benefits. Failure to post the sign or attempting to access TANF cash assistance benefits from a machine that has a sign posted constitutes a Class C misdemeanor.

There are no data (1) concerning the frequency that individuals have accessed TANF cash assistance from ATMs or POS terminals at venues currently required to post signs that access is prohibited; (2) indicating whether any individuals or establishments have been charged with a Class C misdemeanor for violation of the existing statute; or (3) demonstrating that TANF recipients have accessed cash benefits from terminals located in adult entertainment establishments. The Division of Family Resources reported that currently the EBT vendor can work with ATM owners to block ATMs and POS machines in certain locations. However, it is the ATM or POS owner that blocks the transactions, not the EBT vendor.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class C misdemeanor is punishable by up to 60 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: FSSA.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: FSSA.

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